

OptionsHawk

OPTIONS HAWK DAILY MARKET 4/23/2020

Sector Leaders

Energy

Banks

Industrials

Stock Gainers

CHK 35%

SNBR 30%

IMMU 23%

APY 17%

XEC 11%

DVN 11%

ODFL 9.2%

Volatility Gainers

VSTM

FLR

INO

DHT

WMT

GPS

High Call Volume

WLL

FE

AGI

VSTM

NEPT

TK

Bullish Options

CHRW

EXPE

INSG

AEM

LB

VRNT

RDFN

PENN

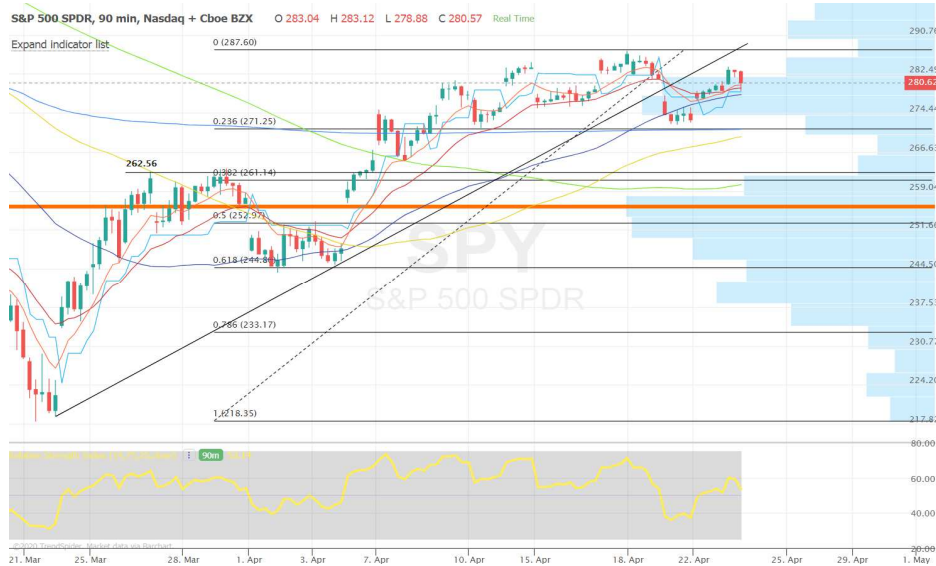
GLD

SLV

LULU

Market Review: Stocks were quiet overnight dipping modestly but near flat in the US pre-market ahead of some key economic data. Earnings continue to be a mixed bag with some strong numbers out of Eli Lilly, Citrix Systems, and others though uncertainty remains a theme with the majority of the outlooks. The PMI number for the US beat estimates but at 36.9 was a very low level reflecting the COVID-19 environment. The leaders today were the more beaten down groups with Energy, Banks and Industrials rising. Markets turned lower midday after negative news from Gilead's potential COVID-19 treatment. We get some more economic data tomorrow and earnings remain active but really a market just showing some loss of rebound momentum with so much uncertainty remaining on the plan to reopen the economy and potential further health crisis. The S&P has been failing under its 50/55 day moving average.

S&P Chart:



Resistance	Support
2,885	2,785
2,900	2,660
3,020	2,635

Options Action Trends: We saw bullish flows into the GLD/SLV ETFs.

What's On Tap: Durable Goods Orders and Consumer Sentiment. Earnings from VZ, AXP, SNY, FCX, GNTX, ALV, B.

Trade Tracker Portfolio Changes:

- Spotlight:** Long CVS June \$65 Calls for \$2 – No Fill
- Earnings Flow** (Long EW May \$210/\$200 Put Spreads \$2.85 Debit)
- Closed UNP Bull Put Spreads (\$0.15) (Opened (\$1.15))
- Closed DPZ Bear Call Spreads (\$1) (Opened (\$3.05))

Sector Laggards

Utility

Consumer Goods

Software

Stock Losers

NTGR -17%

CROX -10.6%

TNK -9.6%

LOB -9.4%

CDE -8.6%

BILI -7.5%

CHEF -7.3%

Volatility Losers

LB

PLAY

SNBR

EXPE

UAL

KSS

High Put Volume

MRTX

DLPH

KSU

VMC

BJRI

OLLI

Bearish Options

PLAY

DBX

DIS

DRI

ODFL

HTZ

OLLI

AAL

W

ACC

WLL



Positioning for Upside in Sunrun

Ticker/Price: RUN (\$12.60)

Analysis:

Sunrun (RUN) with 2500 November \$12 calls opening on 4/21 up to \$3.20, a name that has previously seen 2000 August \$16 calls sold to open while also having over 3000 May \$12 calls in OI from buyers, and has 4000 January \$25/\$15 bear risk reversals that were likely collars. RUN also has 2500 August \$14 short puts in open interest from a 2/10 trade. RUN shares are triggering a long base breakout this week that measures to \$18 as shares enter a volume pocket out of an ascending triangle bottom. The \$1.48B maker of solar energy systems trades 17X Earnings, 1.72X Sales and 5.5X Cash but does have a lot of debt. On 4/6 the company withdrew guidance and took action to lower expenses and sees potential for volumes to be down 50% Y/Y for two quarters and cash burn limited to \$30M per quarter with \$366M on hand. RUN will next report on 5-6 and has a 5-14 conference with CSFB. Sunrun has led the industry since 2007 with its solar-as-a-service model, which provides clean energy to households with little to no upfront cost and at a saving compared to traditional electricity. The company designs, installs, finances, insures, monitors and maintains the systems, while families receive predictable pricing for 20 years or more. The company also offers a home solar battery service, Sunrun Brightbox, that manages household solar energy, storage and utility power. Analysts have an average target of \$19 while short interest at 17% of the float is rising to new heights. On 4/8 CSFB cut its target to \$18 from \$30 reducing growth assumptions due to near-term demand weakness from COVID-19. Barclays on 4/7 called the update reassuring as a resilient name and has an Overweight rating and \$26 target. JPM in early March saw Solar stocks as a safe-haven with low interest rates and new products providing exposure to secular tailwinds while having little supply-chain or demand impact. JPM has a \$25 target on RUN seeing surging Brightbox deployment, improving cash flow, initiatives to speed deployments and lower costs and mitigation efforts from COVID-19 disruption. Hedge Fund ownership fell around 5% in Q4 filings, Tiger Global a notable top holder added shares as its 14th largest position.

Hawk Vision:



Hawk's Perspective: RUN has a nice set-up and above \$13 can trigger a nice move in shares, though **SEDG** the preferred Solar own.

Confidence Ranking: \$\$



AMN Healthcare Could Surprise on Results

Ticker/Price: AMN (\$48.2)

Analysis:

AMN Healthcare Services (AMN) with 1,150 May \$55 calls trading to open \$2.50 to \$2.75 on 4/21 and becomes the only notable open interest in the name. AMN closed weak on the day near its recent lows for the year and also back near 2019 bottom support. The \$2.44B company provides healthcare workforce solutions and staffing services to hospitals and healthcare facilities. AMN is a trusted partner in healthcare staffing services as well as workforce solutions like MSP, VMS, RPO, workforce optimization, scheduling and credentialing solutions. Workforce solutions now account for 67% of revenues with staffing at 33%. Its Stratus Video solution operates in a fast growing \$1.2B video remote interpreting solution for physicians, and it purchased it for \$475M cash and brings rising EBITDA margins and exposure to the fast growing telehealth market. AMN now trades 13.6X Earnings estimates, 1.1X Sales, 8.8X EV/EBITDA and 12.9X FC. Analysts have an average target on shares of \$75 and short interest at 2.5% of the float is hitting a five-year low and coming down sharply, down 55% Q/Q. Benchmark out raising its target to \$78 in mid-February after strong revenue guidance. Sidoti out on 3/31 upgrading shares to Buy with a \$74 target seeing shares attractive into the pullback expecting a 7% EPS decline in 2020 followed by a 15% increase in 2021 with strong demand for the company's Travel and Rapid Response Nurse staffing services mitigation the closures and softness in the Locum Tenens business. Hedge Fund ownership fell 2.85% in Q4 filings. AMN will report results 5/11.

Hawk Vision:



Hawk's Perspective: AMN is very oversold back to support and trading poorly, but its workforce solutions segment should be positioned well for the COVID-19 environment and see value in the name at this level.

Confidence Ranking: \$\$



American Tower Trade Sees Upside Continuing

Ticker/Price: AMT (\$253)

Analysis:

American Tower (AMT) with 500 June \$260/\$200 bull risk reversals opening yesterday for \$11.10 debit and follows buyers in the July \$280 calls on 4/13 and the October deep ITM \$180 calls on 3/24. The July \$180 calls were bought for more than \$1.6M on 3/13. Shares are flagging in a multi-week range above the 8-EMA and just below the February highs and 1-year breakout. A move above \$260 has room up to \$280 in the near-term but long-term measured move targets \$340. The \$112B company trades 31.2X FFO with a 1.57% yield. They high-teens growth in both FY21 and FY22 due to the ongoing investment cycle for 5G. AMT benefits from higher data usage and a clear beneficiary of the current surge in traffic as well as any potential longer-term shift towards a 'work from anywhere' model. AMT is building out significant capacity as demand for data grows globally and carriers upgrade and expecting a record year of new build activity with capex near \$400M. In 2019, they added 4500 sites grew their contractually committed revenue base to \$14B, a steady and predictable stream. Analysts have an average target for shares of \$247. Wells Fargo upgrading to Overweight on 4-7 citing the large percentage of recurring revenue in the model which should make the outlook more stable. They also see catalysts such as higher spend due to WFH, the release of more spectrum to the market, and the continued buildout of 5G architecture. Raymond James upgrading to Buy on 3-26. They think the balance sheet is sold and the company learned important lessons about leverage, debt baskets and maturity laddering from previous market disruptions. Short interest is 0.9%. Hedge fund ownership fell 2.5%.

Hawk Vision:



Hawk's Perspective: AMT and the other Tower stocks remain consistent strong performers with the booming trends for data uninterrupted and worthy investments for the 5G cycle.

Confidence Ranking: \$\$



First Solar Bulls Position for Strong Month

Ticker/Price: FSLR (\$42)

Analysis:

First Solar (FSLR) with 600 ITM May \$37 calls bought \$6.05 to \$6.55 to open, flagging nicely beneath 55 MA, and now volumes running over 1,300 on the day. FSLR has seen bullish flows lately including 1,000 June \$50 calls bought on 4/17, over 1,150 May \$42.50 calls bought on 4/14, and the January 2022 \$40 calls even seeing some size buys. Shares are flagging in a small range under \$42.75 with a breakout into a low-volume zone that stretches back to \$51 and YTD VPOC. Longer-term, FSLR pulled back to multi-year support at \$30 and held with the larger channel supportive of a move back to \$60+. The \$4.34B company has one of the strongest balance sheets among the group trading at 10.85X earnings and 1.4X sales with over \$20/share in cash on hand and little-to-no debt. They have a Current Ratio of 2.7X. FSLR will not be immune to changes in spending or investment in future projects in 2020 but their large, contracted backlog of more than 12.4 GW gives them better stability in the near-term than peers while continued adoption of their Series 6 module is a nice competitive edge. The company has a potential near-term catalyst after announcing in February a review for their US project development business, shifting them into more of a pure-play on technology and module manufacturing. Analysts have an average target for shares of \$61.75. JP Morgan positive on 4-16, preferring long-cycle utility-focused businesses during the COVID-19 disruption. Goldman on 4-2 noting the company is better positioned to weather the near-term issues than peers due to its "industry-leading" visibility into volumes, stable average selling prices, gross margin expansion potential, balance sheet strength, and options to unlock value in its systems business. BAML upgrading to Neutral on 3-31 with shares trading at historic low multiples. Short interest is 10.5%. Hedge fund ownership fell 13.5% in Q4. Luminus Management a top holder.

Hawk Vision:



Hawk's Perspective: FSLR above \$42.25 can probably return a quick \$2 volume pocket run, though plenty of resistance above there.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Gold Miner (GDX) size buyer 4450 January 2022 \$45 calls \$5 to \$5.55 this morning, also 2000 **GLD** July \$170 calls bought and September \$170/\$190 call spreads trading 14,000X. **Gold Miner (GDX)** stock replacement opens 12,500 September \$43 calls \$2.27

Silver (SLV) with 7500 September 30th (Q) \$12 ITM calls bought \$3.05 to open

India ETF (INDA) buyer 5000 May 1st (W) \$26 puts for \$0.60

Volatility Index (VIX) buyer 6000 September \$27 puts \$2.86

Consumer Discretionary/Services

Activision (ATVI) with 1,970 August \$80 calls sold to open \$1.86

Darden (DRI) buyer 725 January \$55 puts at \$11 offer to open

Dunkin Brands (DNKN) near 900 May \$50 puts sold to open down to \$0.95

L Brands (LB) buyer 3000 November \$12.5/\$17.5 call spreads for \$1.39 after bullish BAML note this morning. **LB** also 5000 May \$13/\$15 call spreads opening. **LB** also with 1000 June \$12.50/\$17.50 call spreads bought today

Disney (DIS) buyer 1000 May 8th (W) \$95 puts \$3.05 to \$3.10, captures 5-5 earnings. **DIS** seller 2500 July \$115 calls \$3.10 in a buy-write

Penn National (PENN) buyers of 1,500 July \$15 calls up to \$2.85

Target (TGT) with 1,500 July \$75 puts sold to open today into weakness, \$1.57 to \$1.47. **TGT** opening seller 2000 May 1st (W) \$100 puts for \$1.68 as well

Starbucks (SBUX) with 5,000 May \$82.50/\$67.50 strangles sold for \$2.76 into 4-28 earnings

Lululemon (LULU) buyers of 800 May 8th (W) \$210 calls \$12.00 to \$12.60. **LULU** also seeing 1050 May 1st (W) \$205 calls opening \$12.70 to \$14.40

Diamond Eagle (DEAC) another 5,000 August \$22.50 calls sold to open today down to \$1.75

Ollie's (OLLI) with 1,000 May \$65 calls sold to buy the \$60/\$55 put spread, possibly trading against stock given the recent run and 200-MA resistance here

Bed Bath & Beyond (BBBY) on the highs with 5,850 May \$5 calls bought up to \$0.60, spot where buyers active on 4-15

Six Flags (SIX) near range breakout seeing 600 September \$15 puts sold to open \$3.36

Royal Caribbean (RCL) buyer of 2,000 May \$33.50/\$27 put spreads for \$1.90, looks to be adjusting some May \$30 puts

Hilton (HLT) the May \$75/\$80 call spread bought 750X1,500

Wynn (WYNN) buyer 1000 September \$95 calls \$7.20 offer

Consumer Goods

Anheuser Busch (BUD) with 1025 January 2022 \$55 calls sold to open \$4.90 to \$4.75

Brunswick (BC) the May \$40/\$45 call spread bought 625X1250 for \$1.14 into earnings next week, 4-30

Dollar General (DG) with 475 November \$145 puts sold to open for \$7.60

Simply Good Foods (SMPL) opening seller 1500 June \$17.5 puts \$1.40 to \$1.35

Keurig Dr Pepper (KDP) another 1,300 May \$27 puts being bought today up to \$1.95

Energy

Baker Hughes (BKR) buyer 800 January \$18 calls for \$1.30

Pertobras (PBR) with 18,000 January 2022 \$12 calls bought \$0.71

Occidental (OXY) buy-write with 10,000 July \$17.5 calls sold \$1.72

Continental (CLR) with 1000 May 29th (W) \$12.50 puts bought to open \$1.80

Ballard Power (BLDP) with 1,150 May \$10 puts sold to open today \$1.10 to \$1

Noble Energy (NBL) buyer 2,425 June \$7.50 puts for \$1.25

Financials

Redfin (RDFN) with 925 ITM August \$23 puts sold to open \$7.10 to \$6.90, positive update earlier this week as users adapt to virtual tours

American International (AIG) opening seller 2000 August \$13 puts \$0.78

American Campus (ACC) buyers of 4,300 May \$25 puts from \$0.65 to \$0.85, REIT that invests in dormitory housing

Blackstone (BX) strong after earnings up 6.7% and still in coiled range, seeing 5500 June \$36 puts sold to open for \$0.93

Capital One (COF) trader sells 10,000 June \$45 puts for \$3.01 and buys 7,500 September \$55/\$70 call spreads for \$4.80

Toronto Dominion (TD) with 1600 October \$35 puts bought today up to \$3.70 as bearish flow into the Canadian banks continues

Square (SQ) block of 2000 June \$62.5 puts sold to open \$6.30

Noah Holdings (NOAH) the August \$35/\$20 bull risk reversal opening 440X today for a small net credit

Bank of America (BAC) spread buys 8,000 December \$24/\$30 call spreads for \$1.74 and sells the \$16/\$14 bull put spread for \$0.44

Healthcare

Dynavax (DVAX) with 5500 June \$4 calls sold to open down to \$0.47

Danaher (DHR) with 500 September \$180 calls bought \$6.75 to \$6.80, earnings on 5-7 and not far from new highs

AbbVie (ABBV) buy-write with 2500 June \$92.5 calls sold \$1.54

Mirati (MRTX) with 2000 May \$95/\$85 strangles sold to open \$7.21

Natus Medical (NTUS) buyers of 485 October \$25 calls up to \$4.10 this morning, odd size for the name that formerly traded as **BABY**. The \$830M medical device company focuses on diagnostics and treatment of newborn disorders, specifically CNS, and trades 13.9X earnings with limited debt.

Myokardia (MYOK) with June \$50/\$30 ratio put spreads opening 2300X4600 at \$2 debit, could be protective into data. **MYOK** now also with 750 May \$65/\$95 call spreads bought for \$11.80

Glaxo (GSK) with 4300 May \$41/\$38 put spreads opening for \$0.68 ahead of earnings next week, 4-29

Moderna (MRNA) seeing 1500 May/June \$60 call calendar spreads open with its promising COVID-19 vaccine being watched

Pfizer (PFE) roll of 10,000 June \$37 calls from a buy-write on 3-3 to September \$39

Axsome Therapeutics (AXSM) with 2,500 June \$70/\$50 put spreads bought for \$8.42 ahead of Phase 2/3 data later this quarter for AXS-05 in patients with agitation due to Alzheimer's

Petmed Express (PETS) buyers today of 1,725 May \$35 calls up to \$2.00, name that has held up well and testing new highs today

Perrigo (PRGO) buyer of the August \$52.50/\$57.50 call spread 1350X and sells the \$47.50 puts 650X

Sage Therapeutic (SAGE) with 1500 August \$60 calls bought to open \$2.25 to \$2.49, recently announced a restructuring

BioHaven (BHVN) trade opens 2000 July \$55/\$70 bear call spreads for \$1.70 credit

CRISPR (CRSP) unusual trades selling 900 January \$95 calls and buying October \$45/\$35 put spreads, likely collaring stock

Industrials

CH Robinson (CHRW) buyer 800 June \$75/\$80 call spreads in early trade

American Air (AAL) buyer of 20,000 January \$7 puts for \$1.86, tied to stock

Old Dominion (ODFL) highs up 8% on earnings after recent May bull risk reversals, but 1500 May \$130 puts bought \$3.70 to open

Hertz (HTZ) with 6000 July \$4 puts bought \$1.20 to \$1.28

Delta (DAL) opening sale 1000 December \$30 calls for \$3.25 bid

Goodyear Tire (GT) with 645 January 2022 \$3 calls bought \$4.50 to open ITM

Delta (DAL) buyers 20,000 May \$26 calls here \$0.69 to \$0.72

Caterpillar (CAT) May \$103/\$90 put spreads opening 2000X late

Materials

Agnico Eagle (AEM) buyer of 1800 January \$60 calls at \$9.50, will confirm OI tomorrow

Franco-Nevada (FNV) buyers of 500 June \$145 calls from \$7.20 to \$7.90

Vulcan (VMC) opening sale 1200 May \$80 puts for \$1

Cameco (CCJ) breaking out of tight consolidation with 27,500 May 1st (W) \$10 calls bought, earnings 5-1

Newmont Mining (NEM) with 4500 June \$55 puts being sold to open \$1.98

Tech and Telecom

Expedia (EXPE) buyer of 800 January \$70 calls \$12.97. EXPE also seeing 1600 January \$45 puts sold to open. **EXPE** also now 1000 July \$50 puts sold to open \$4.50 to \$4.40. EXPE working out of key pattern and into volume pocket with put sellers active this morning after its PE investment strengthens its capital position. **EXPE** buyer of stock sells 2,000 January \$80 calls for \$9 in a buy-write

DropBox (DBX) with 3000 May 1st (W) \$19.50 puts bought to open up to \$0.50

Inseego (INSG) working out of bull flag with 1500 September \$15 calls active with buyers near \$2.40, small cap write up from last week benefiting from work from home trends

Verint (VRNT) another 500 December \$45/\$55 call spreads trading with the \$30 puts sold, very coiled name under a volume shelf at \$44

Juniper (JNPR) with 1720 November \$26 calls sold to open down to \$1.40

Equinix (EQIX) opening seller of 740 June \$590 puts for \$17.10, nice flag forming just below new highs

Oracle (ORCL) with 20,000 June \$57.5 calls sold \$1.12 to open

IBM with 10,000 June \$135 calls sold \$1.71 to open, similar to **ORCL** trade

Wayfair (W) with 1,700 June \$100 puts bought \$14.50 as the May \$70 puts adjust again today

TripAdvisor (TRIP) another 10,000 January \$21.50/\$16.50 bull risk reversals trading today for a small debit. **TRIP** also seeing 5000 May 1st (W) \$19 calls bought \$0.80 to \$1.05 to open today

Fire-Eye (FEYE) buyers of another 2,250 May \$11 calls up to \$0.95

Qualys (QLYS) buyers of 500 May \$110 calls today between \$5.20 and \$5.70 this afternoon ahead of earnings on 5-7

Qualcomm (QCOM) stock buyer sells 5000 June \$80 calls \$3.70 in a buy-write

Survey Monkey (SVMK) opening seller 2000 June \$15 ITM calls for \$1.50

Pager Duty (PD) opening sale 2500 June \$20 calls ITM for \$3.37

Utility

Next-Era (NEE) with 1650 September \$280 calls sold to open for \$6.30

Eversource (ES) with 3250 July \$100 calls sold to open \$1.55

Disclaimer:**Not Investment Advice or Recommendation**

Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.

Content is for informational and educational purposes only. You alone will need to evaluate the merits and risks associated with the use of this content. Decisions based on information provided are your sole responsibility, and before making any decision on the basis of this information, you should consider (with or without the assistance of a financial and/or securities adviser) whether the information is appropriate in light of your particular investment needs, objectives and financial circumstances. Investors should seek financial advice regarding the suitability of investing in any securities or following any investment strategies.

No reference to any specific security constitutes a recommendation to buy, sell or hold that security or any other security. Nothing constitutes investment advice or offers any opinion with respect to the suitability of any security, and the views expressed on this website should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this website, we have not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information has no regard to the specific investment objectives, financial situation and particular needs of any specific recipient of this information and investments discussed may not be suitable for all investors.